

November 18, 2005

Sina Toussi, Esq. Skadden, Arps, Slate, Meagher & Flom LLP Four Times Square New York, New York 10036	VIA E-MAIL to stoussi@skadden.com with exhibits
Delphi Corporation World Headquarters 5725 Delphi Drive Troy, Michigan 48098-2815	VIA FACSIMILE to (248) 813-2499 with exhibits
Mr. Everett W. Montgomery, Jr. Global Commodity Team Manager, Plastic Components Delphi Automotive Systems M/C 462-394-104 8750 Hague Road Indianapolis, IN 46256	VIA E-MAIL to Everett.W.Montgomery@delphi.com with exhibits

To Mr. Montgomery, Delphi, and its counsel Sina Toussi:

I am writing on behalf of my company, **Lorentson Manufacturing Company Southwest, Inc.** ("**Lorentson-Southwest**"). As of the petition date, Delphi Automotive Systems (the "Debtor") owed a total of **\$425,067.13¹** to Lorentson-Southwest for goods supplied to the Debtor by Lorentson-Southwest in the months prior to the bankruptcy filing (see Exhibit A enclosed herewith).

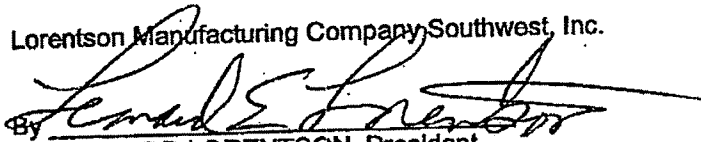
Lorentson-Southwest currently owes **\$105,650.00** to the Debtor for goods supplied pre-petition, as detailed in Exhibit B enclosed herewith, and is entitled to setoff or recoupment with respect to such amount. Accordingly, Lorentson-Southwest placed the Debtor's pre-petition invoices on administrative hold pending completion of its investigation and completion of the setoff review process described in the Court's DIP financing order entered on October 28, 2005.

In order to avoid unnecessary costs and delays Lorentson-Southwest would like the Debtor's consent to such setoff and agreement to prepare a joint motion for approval of such setoff

Please contact me, or my counsel Jeannette Elsan Hinshaw, as soon as possible to inform me whether the Debtor is willing to consent to the proposed setoff.

Sincerely,

Lorentson Manufacturing Company Southwest, Inc.

By 
LEONARD LORENTSON, President

¹ This number is subject to further review, and will be subject to various adjustments as the bankruptcy case proceeds.

Hinshaw, Jeannette

From: Hinshaw, Jeannette
Sent: Friday, November 18, 2005 6:03 PM
To: 'stoussi@skadden.com'; 'everett.w.montgomery@delphi.com'
Subject: DELPHI-LORENTSON-setoff
Attachments: DELPHI-LOR.SW-SETOFF; DELPHI-LOR.KOK.-SETOFF

I send the attached documents on behalf of my client, Lorentson Southwest and Lorentson Kokomo.

Pursuant to the Court's DIP financing order entered on October 28, 2005 (specifically, paragraph 18 thereof), please find attached requests for setoff by Lorentson Southwest and Lorentson Kokomo. The DIP financing order provides that Delphi is to respond to all setoff requests within 10 business days of receiving same; accordingly, I would expect to receive Delphi's response to the attached setoff requests by no later than December 6, 2005.

Invoices to support the amount claimed to be owed by Delphi will be provided upon request.

Jeannette Eisan Hinshaw, Esq.
Bose McKinney & Evans LLP
135 N. Pennsylvania St., Suite 2700
Indianapolis, Indiana 46204
direct telephone: 317-684-5296
direct fax: 317-223-0296
copy center fax: 317-684-5173
email: jhinshaw@boselaw.com

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11/18/2005

EXHIBIT A
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 END TIME : NOV-18 06:04PM
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**BOSE
 McKINNEY
 & EVANS LLP**
 ATTORNEYS AT LAW

Jeannette Eisan Hinshaw
 Downtown Office
 Direct Dial (317) 684-5296
 E-Mail: JHinshaw@boselaw.com

FAX COVER SHEET

Date: 11/18/05 Time: 6:00 pm
 From: Jeannette Eisan Hinshaw (317) 684-5296

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MESSAGE: Re: Delphi, supplier Lorentson-Southwest

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